

## Article - Education

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§5–201.

(a) In this subtitle, except as otherwise provided, the following words have the meanings indicated.

(b) “Assessable base” has the meaning stated in:

(1) § 12–201 of the Economic Development Article; or

(2) For Baltimore City, Article II, § 62 of the Charter of Baltimore City.

(c) “Assessed value of personal property” means the most recent estimate by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly of the assessed value for county purposes of personal property as of July 1 of the first completed fiscal year before the school year for which the calculation is made under this section.

(d) (1) Subject to paragraph (2) of this subsection, “assessed value of real property” means the most recent estimate made by the State Department of Assessments and Taxation before the annual State budget is submitted to the General Assembly of the assessed value of real property for State purposes as of July 1 of the first completed fiscal year before the school year for which the calculation of State aid is made under this section.

(2) (i) Subject to subparagraphs (ii), (iii), and (iv) of this paragraph, for counties that qualify for a disparity grant under § 16–501 of the Local Government Article and that established a development district under Title 12, Subtitle 2 of the Economic Development Article or Article II, § 62 of the Charter of Baltimore City after May 1, 2016, and is still in effect, using the assessed value of real property as of July 1 of the second completed fiscal year before the school year for which the calculation of State aid is made under this section, “assessed value of real property” does not include the lesser of:

1. The difference between the original base and the assessable base of all real property in a development district that is subject to tax increment financing under Title 12, Subtitle 2 of the Economic Development Article or Article II, § 62 of the Charter of Baltimore City as certified by the State Department of Assessments and Taxation; or

2. The quotient of the annual debt service for a tax increment financing bond in a development district divided by the county's real property tax rate pledged to the tax increment financing bond multiplied by 100.

(ii) If the result of item 1 or 2 of subparagraph (i) of this paragraph is a negative number, then the result shall be \$0.

(iii) The calculations under this paragraph shall be made separately for each development district in a county.

(iv) For Baltimore City, if the result of item 1 or 2 of subparagraph (i) of this paragraph is a positive number, then the amount is required to be appropriated by the Mayor and City Council of Baltimore City to the Baltimore City Board of School Commissioners.

(e) "Enrollment count" means the greater of:

(1) The full-time equivalent enrollment; or

(2) The 3-year moving average enrollment.

(f) "Foundation program" means the product of the annual per pupil foundation amount and a county's enrollment count.

(g) "Full-time equivalent enrollment" means the sum of:

(1) The number of students enrolled in kindergarten through grade 12 or their equivalent in regular day school programs on September 30 of the prior school year;

(2) The number of full-time equivalent students, as determined by a regulation of the Department, enrolled in evening high school programs during the prior school year; and

(3) The number of P-TECH students, as provided in § 7-1804(b) of this article.

(h) (1) Subject to paragraph (2) of this subsection, "inflation adjustment" means a percentage, rounded to the nearest two decimal places, that is the lesser of:

(i) The increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year;

(ii) The Consumer Price Index for All Urban Consumers for the Washington Metropolitan Area, or any successor index, for the second prior fiscal year; or

(iii) 5%.

(2) If there is no increase in the implicit price deflator for State and local government expenditures for the second prior fiscal year or in the Consumer Price Index for All Urban Consumers for the Washington Metropolitan Area, or any successor index, for the second prior fiscal year, then “inflation adjustment” means 0%.

(i) “Local contribution rate” means the figure that is calculated as follows:

(1) Multiply the statewide full-time equivalent enrollment by the target per pupil amount and by 0.50; divided by

(2) The sum of the wealth of all of the counties in this State; and

(3) Round the result obtained in paragraph (2) of this subsection to seven decimal places and express as a percent with five decimal places.

(j) “Local share of the foundation program” means the product of the local contribution rate and a county’s wealth rounded to the nearest whole dollar.

(k) “Local wealth per pupil” means a county’s wealth divided by the county’s full-time equivalent enrollment.

(l) “Major education aid” means the sum of the State and local share of the following:

(1) Foundation program under § 5–213 of this subtitle;

(2) Transportation aid under § 5–218 of this subtitle;

(3) Compensatory education under § 5–222 of this subtitle;

(4) English learner program under § 5–224 of this subtitle;

(5) Special education under § 5–225 of this subtitle;

(6) Guaranteed tax base program under § 5–214 of this subtitle;

(7) Comparable wage index grant under § 5–216 of this subtitle;

- subtitle;
- (8) Post college and career readiness pathways under § 5–217 of this subtitle;
  - (9) Concentration of poverty under § 5–223 of this subtitle;
  - (10) Transitional supplemental instruction under § 5–226 of this subtitle;
  - (11) Publicly funded prekindergarten under § 5–229 of this subtitle;
- and
- (12) Career ladder for educators under § 6–1009 of this article.

(m) “Net taxable income” means the amount certified by the State Comptroller for the second completed calendar year before the school year for which the calculation of State aid under this section is made, based on tax returns filed on or before November 1 after the current calendar year.

(n) “Original base”:

- (1) Has the meaning stated in § 12–201 of the Economic Development Article; or

- (2) For Baltimore City, means “original assessable base” as defined in Article II, § 62 of the Charter of Baltimore City.

(o) “Personal property” means all property classified as personal property under § 8–101(c) of the Tax – Property Article.

(p) “Real property” means all property classified as real property under § 8–101(b) of the Tax – Property Article.

(q) “State share of the foundation program” means, rounded to the nearest whole dollar, the greater of:

- (1) The difference between the foundation program and the local share of the foundation program; and

- (2) The result obtained by multiplying the target per pupil foundation amount by the county’s enrollment count, and multiplying this product by 0.15 in fiscal year 2008 and each fiscal year thereafter.

(r) “Statewide wealth per pupil” means the sum of the wealth of all counties divided by the statewide full-time equivalent enrollment.

(s) “Target per pupil foundation amount” means:

- (1) For fiscal year 2022, \$7,991;
- (2) For fiscal year 2023, \$8,310;
- (3) For fiscal year 2024, \$8,642;
- (4) For fiscal year 2025, \$8,789;
- (5) For fiscal year 2026, \$9,226;
- (6) For fiscal year 2027, \$9,732;
- (7) For fiscal year 2028, \$10,138;
- (8) For fiscal year 2029, \$10,564;
- (9) For fiscal year 2030, \$11,004;
- (10) For fiscal year 2031, \$11,442;
- (11) For fiscal year 2032, \$11,898;
- (12) For fiscal year 2033, \$12,365; and

(13) For subsequent fiscal years, the target per pupil foundation amount for the prior fiscal year increased by the inflation adjustment rounded to the nearest whole dollar.

(t) (1) Except as provided in paragraph (2) of this subsection, “3-year moving average enrollment” means the average of the full-time equivalent enrollment in the 3 prior school years.

(2) If the 3 prior school years includes the 2020–2021 school year, “3-year moving average enrollment” means:

(i) The sum of the full-time equivalent enrollment for the 4 prior school years minus the 2020–2021 school year full-time equivalent enrollment; divided by

(ii) Three.

(u) “Wealth” means the sum of:

- (1) Net taxable income;
- (2) 100 percent of the assessed value of the operating real property of public utilities;
- (3) 40 percent of the assessed value of all other real property; and
- (4) 50 percent of assessed value of personal property.

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